

JANUARY / FEBRUARY / MARCH 2011

Senate President Peter Bragdon Named RMANH's 2012 Legislator of the Year

Senate President Peter Bragdon was named RMANH's 2012 Legislator of the Year. RMANH Board Chairperson Dennis DiPaolo, Seasonal Specialty Stores, and RMANH President/CEO Nancy Kyle, presented Senate President Bragdon with his award at RMANH's 46th Annual Member and Legislative Reception held Wednesday, February 8, 2012 at the Holiday Inn in Concord, NH.

Each year, the Retail Merchants Association of NH's Legislator of the Year Award goes to a legislator that stands out with initiatives that will assist New Hampshire retailers in conducting their businesses. By recognizing one legislator each year, the association demonstrates its appreciation for individuals who have shown a

Legislator of the Year, continued on page 12



RMANH President/CEO Nancy Kyle awards Senate President Peter Bragdon RMANH's 2012 Legislator of the Year Award

The Prescription Center, Concord, NH Named RMANH's 2012 Retailer of the Year

The Prescription Center, Concord, NH was named RMANH's 2012 New Hampshire Retailer of the Year. Dennis DiPaolo, Seasonal Specialty Stores, Amherst, NH and RMANH board chairperson, along with Nancy Kyle, President/CEO of RMANH, presented owner Charlie Fanaras with his award at RMANH's 46th Annual Member and Legislative Reception held Wednesday, February 12th, 2012 at the Holiday Inn in Concord, NH.

Each year, the Retail Merchants Association of New Hampshire presents a retailer in the state with their NH Retailer of the Year Award. This award is presented to a New Hampshire retailer who has achieved



RMANH Board Chairperson Dennis DiPaolo, Seasonal Specialty Stores and Nancy Kyle, President/CEO of RMANH, present Charlie Fanaras, The Prescription Center, Concord, NH the 2012 NH Retailer of the Year Award.

significant success and growth in his or her business and provides excellent customer service. They support retailing locally and at a state level, and their business makes significant contributions to their local community.

Retailer of the Year, continued on page 12

Tilton Police Department Named RMANH's 2012 Law Enforcement Partner of the Year

Chief Robert Cormier, Detective Matt Dawson, Detective Nate Buffington, and the Tilton Police Department were named RMANH's 2012 Law Enforcement Partners of the Year. New Hampshire's Attorney General, Mike Delaney, along with Eric Proulx, General Manager of the Tanger Outlets in Tilton, presented

the Chief and Detectives with their awards at RMANH's 46th Annual Member and Legislative Reception held Wednesday, February 8th, 2012 at the Holiday Inn in Concord, NH.

The Retail Merchants Association of NH's Law Enforcement of the Year

Partner of the Year, continued on page 12



Legislative Update

Curtis Barry

Dupont Group



Business Tax and Corporate Law Changes Mark '11-'12 State Legislature

The 2011/12 biennial session of the New Hampshire legislature may be marked by a number of issues, and one subject among those that has generated numerous bills is taxation of business activity and laws relative to corporations.

Most notably, the legislature addressed significant problems in the state's business tax structure by eliminating the so-called LLC tax and, from RMANH's perspective, the more obnoxious situation with the "reasonable compensation" statute, which we have previously reported on.

But another change last year makes a dramatic change in the business tax laws. That legislation in 2011 increased the amount of net operating loss (NOL) that may be carried forward may not exceed \$10 million in a given year, to be effective July 1, 2013. Previous to the change the annual limit was \$1 million. HB 242, also introduced in 2011 but held until this year, would move the effective date up to January 1, 2013. That bill has passed the House and is awaiting a hearing in the Senate. The legislation was originally sponsored by 12 Republican Senators and 4 Republican House members.

HB 1641, introduced in the 2012 session by Rep. Neal Kurk, this session would tie the NOL to job creation thresholds. As proposed in an amendment by the House Ways & Means Committee, the NOL carry-over in excess of \$1 million would be tied to the creation of jobs; 1 job = \$100,000 in any given year, and stipulates that

"the deduction for each net new job created shall only be permitted if the \$100,000 deduction was a significant factor in the decision to create the net new job". This bill has not passed the House as of the writing of this article and if passed would then move to the Senate.

Also this year HB 1221 would allow taxpayers to apply the Business Enterprise Tax credit against the Business Profits Tax on a quarterly basis at the time the taxpayers makes estimated payments. A glitch in the current law allows the credit to be applied only at year's end. This change would allow businesses that have a BPT obligation to keep more of their money during the year.

HB 1418 would increase the thresholds for filing a BET tax return to \$200,000 of gross business receipts or \$100,000 in BET tax base. The current thresholds are \$150,000 and \$75,000 respectively. This bill aims to assist the very smallest of businesses.

SB 155, introduced in 2011 and passed this year, according to the bill's official analysis, "allows a business organization to apply the federal section 179 expense deduction amount in the calculation of gross business profits, before net operating loss and special deductions under the business profits tax, as of the date the section 179 property is placed into service".

SB 295 would increase the research and development tax credit against the business profits tax from \$1 million to

Legislation, continued on page 7



RMANH

Established 1966

Retail Merchants Association of NH

Retail Merchants Association of NH Staff

Nancy C. Kyle
President/CEO

Joseph Lajewski
Energy Program Project Manager

Amanda Magoon
Energy Program Case/Office Manager

Jeff Morin
Energy Case Manager

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Visit our website at www.rmanh.org

2012 Annual Member and Legislative Reception

Nearly 200 legislators and retailers gathered for RMANH's 46th Annual Member and Legislative Reception on Tuesday, February 8th, 2012 at the Holiday Inn in Concord, NH. RMANH was honored to have NH Attorney General Mike Delaney attend and present awards with us.

The Prescription Center, Concord, NH and owner Charlie Fanaras was named RMANH's 2012 NH Retailer of the Year and Senate President Peter Bragdon was named our 2012 Legislator of the Year. In addition, the Tilton Police Department, with Chief Robert Cormier and Detectives Matt Dawson and Nate Buffington, was awarded RMANH's 2012 Law Enforcement Partner of the Year award.

A very special thank you to all our sponsors – it is only because of your generosity that we are able to hold this reception.



Attendees at RMANH's 46th Annual Member and Legislative Reception.



RMANH Board Member Jacques Breton, MJM Associates, chats with Kevin Kay of Association Benefits Insurance, and RMANH Board Member Dave Souter of Baron's Major Brands.



Eric Proulx, General Manager of the Tanger Outlets, Tilton, NH preparing to present the Law Enforcement Partner of the Year Award, while NH Attorney General Mike Delaney looks on.



RMANH President/CEO Nancy Kyle and RMANH Board Chair Dennis DiPaolo, Seasonal Specialty Stores, Amherst, NH congratulate Senate President Peter Bragdon on receiving RMANH's 2012 Legislator of the Year Award.



Charlie Fanaras owner of the Prescription Center, Concord, NH says a few words after being presented with RMANH's 2012 Retailer of the Year Award.



RMANH's 2012 Law Enforcement Partner of the Year, Chief Robert Cormier, Tilton Police Department, with NH Attorney General Mike Delaney.



RMANH Volunteers Chris Wall (left) and Sue Champney (right) chat with Senator Sylvia Larsen.



2012 Annual Member and Legislative Reception, Cont.



Eric Proulx, General Manager Tanger Outlets, Tilton, NH chats with RMANH's Amanda Magoon, while RMANH's volunteer Chris Wall looks on in the background.



RMANH Board Member Walter Cardinal, Target, chats with David Bellman, Bellman Jewelers, Manchester, NH. David is the newest member of RMANH's Board of Directors.



RMANH President/CEO Nancy Kyle, with John Heckman, MESCA and Roger Seidel, New England Motor Freight - both sponsors of the evening.



Jeff Morin, RMANH's Energy Case Manager, chats with Keith McBrien, GDS - a sponsor of the evening.



Amanda Magoon, RMANH's Energy Case/Office Manager with former Speaker of the House Representative Gene Chandler, a previous recipient of RMANH's Legislator of the Year Award.



RMANH Member Andrew Hatch, Lotions n Potions, Concord, NH with RMANH Energy Project Manager Joe Lajewski.



Police Chief Robert Cormier of the Tilton Police Department says a few words after receiving his 2012 Law Enforcement Partner of the Year Award.



Detectives Matt Dawson and Nate Buffington, accept their 2012 Law Enforcement Partner of the Year Award from NH Attorney General Mike Delaney, while Police Chief Robert Cormier looks on.



Senate President Peter Bragdon says a few words after accepting the RMANH 2012 Legislator of the Year Award.



2012 Annual Member and Legislative Reception, Cont.



The Tilton Police Department waiting to receive their 2012 Law Enforcement Partner of the Year Award.



We had a great display featuring our grant funded Energy Program.



So far, we've had 112 businesses enrolled in our Energy Efficiency Program. Our display featured a map with push pins that were color coded for the year businesses were in the Energy Program.



Retail Merchants Association of New Hampshire wishes to thank the following members for their support of our 2012 Member and Legislative Reception

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Bellman's Jewelers
State Street Discount
Clark-Mortenson Agency

RETAIL UNIVERSITY

A Webinar Series Designed for Retailers Another Benefit of RMANH Membership

It's time to go back to school! RMANH will be offering a series of free webinars designed with retailers in mind. The Webinars will give you a refresher on core business principals and provide practical tips you can implement in your store.

Dates and programs are currently being confirmed with speakers, and we'll get that information to you as soon as we get it. Right now the schedule is....

- April – To Tweet or Not to Tweet: How to Set Up and Manage Your

Social Media Marketing for Big Returns

- May – Customer Service
- September – Passing the Baby: The 8 Must Haves of Successful Succession Planning
- October – Keep Your Credit Card Processing Secure this Holiday Season

Webinars will be offered at 8:30am EST. We'll let you know we have more info! Another great benefit of membership in RMANH! 🐼

Lots of Power Ahead for RMANH's Energy Efficiency Program



2012 will mark an important year for the maturing of the Retail Merchants Association's Energy Program, "Giving Power Back" and will add to the emerging leadership role that RMANH is playing in business sustainability.

The Retail Merchants Association of New Hampshire has been developing and implementing a pilot Energy Efficiency Program for small and

mid-sized businesses since 2009. The goal of the Program is to give businesses the tools they need to understand their energy usage and undertake measures that will lower energy costs. As the Program develops, this real world expertise will be used to help other businesses learn the same lessons and begin to give retailers and other businesses the skills to take control of these costs.

In the first phase, the Program enrolled 25 businesses and developed a method to efficiently analyze, audit and implement energy retrofits. The Program was expanded in 2011 and has seen rapid growth going into 2012. In fact, by the end of 2012, the Program plans to have 150 businesses in the pipeline.

In order to keep pace with the growing group of energy efficiency audits and retrofit projects, the Program has hired a new Case Manager. Jeffrey Morin comes to the Program with over 30 years of experience in the energy efficiency space and most recently worked with the State of New Hampshire's Department of Resources and Economic Development. Jeff joins RMANH's current Energy Case Manager, Amanda Magoon, and they both will be working with businesses as they go through our Energy Program.

Joe Lajewski, the Energy Program



Manager, continues to expand the voice of RMANH's Program to other business, civic and trade associations. To date, partnerships with the NH Grocers Association and the NH Auto Dealers Association have successfully helped to add new enrollees to the Energy Program. These partnerships will help to continually boost membership and amplify the benefits of this pilot Program.

Over the late winter and early spring, the Program will host a number of onsite educational and promotional events. The plan is to host open houses at business locations that have gone through the Program. Visitors and guest will be able to see firsthand how colleagues in their geographic and business areas have succeeded in becoming more energy efficient. Last year, similar events were held at Barons Major Brands in Laconia and Young's Restaurant in Durham. These demonstrations offered a great opportunity for business, government and civic leaders to see the real value of this Program and hopefully helped to start a larger community conversation on the benefits of saving energy.

You could also be saving money with RMANH's Energy Efficiency Program. This grant funded program will even pay for a portion of projects. For more information, call the RMANH offices at 603-225-9748.

The Retail Merchants Association of New Hampshire

Energy Efficiency Program

Are energy costs putting pressure on your business's bottom line?

RMANH can help your business find ways to save money and energy with our 3 Phase Energy Program and we'll even help to pay for it!!!

There is no commitment required; you can drop out of the program at any phase.

For more information call 603-225-9748, visit www.rmanheep.com or email energy@rmanh.com

Giving Power Back... One Business at a Time

Legislation, cont. from page 2

\$2 million annually.

On Tuesday, January 17th, the NH Senate Commerce Committee will hold public hearings on SB 203, revising the laws governing limited liability companies, and SB 205, revising the New Hampshire business corporations act. These two bills are the result of ad hoc committees formed by the NH Business & Industry Association that worked over the past year.

Also notable on this year's docket are bills aimed at updating the state's business formation laws.

SB 203 is extensive legislation sponsored by seven senators and five house members, including majority leaders in each body; the bills intent section declares:

I. The current version of the New Hampshire limited liability company act was originally enacted in 1993 and was significantly amended in 1997. In recent years, LLCs have become, by a wide margin, the entity of choice both for small New Hampshire businesses and for many larger ones.

II. This bill retains most of the provisions of the current act, but it adds numerous important new features that will make the act significantly more user-friendly for small New Hampshire businesses. At the same time, the revised act fully preserves, and in fact increases, the usefulness of the act for larger businesses.

III. The new features of the revised act include (i) a new overall structure that will make it substantially easier for LLC members and managers and their attorneys to find provisions relevant to their concerns; (ii) new provisions comprehensively defining the fiduciary duties of members and managers; (iii) revisions of numerous provisions of the current act to eliminate possible ambiguities; (iv) maximum use of plain English and the elimination of numerous legalisms in

Legislation, continued on page 8

Freight Findings

John Heckman, President MESCA Freight Services



LTL Market – Now a Seller's Market

2011 has been a year of “ups and downs” – politically and economically – and the transportation industry certainly has shared in the global roller coaster ride over the past 12 months. The less than truckload (LTL) arena has again (despite dire predictions to the contrary from all sides for several years) avoided the demise of a major LTL provider. The industry seems to be settling down into a reasonably stable, competitive environment where CHEAPEST price is no longer the lightning rod. This may be good for the carriers and their shareholders, but it has created a significant sea change for LTL consumers that had been used to playing the recent discount war waging between (all but one) of the LTL providers.

As we have noted in past communications, the LTL market has changed from a buyer's advantage to a seller's advantage as the carriers no longer are willing to operate at a loss in an effort to gain market share. Setting transportation budgets for 2012 should include modest increases in price unless the consumer is willing to look at second or third tier providers that still compete on a “price only” platform. We have seen even these carrier networks walk away from business that has little or no profit margin.

Volume quoting has continued to be a source of savings for consumers that choose to take that extra step for additional cost reduction. At a recent meeting with a huge nationwide car-

rier's president, he noted that they have taken steps to “fix their own balance needs internally” so they do not have to rely on the spot quote market for capacity needs. Our expectation is other carriers will follow suit in some form, but in reality, there will always be a volume quote opportunity created by carrier imbalance unless a major carrier demise totally removes capacity from the marketplace.

The truckload arena continues to suffer from both driver and equipment shortages; there are some days at month's end when finding available equipment in certain geographical areas is virtually impossible no matter what the price is.

Price-only third party logistics providers, while still out there, are finding the carrier community no longer willing to offer cheap blanket pricing that further erodes carrier yield. As we have reported in past communications, each of our carrier partners, at the Senior Management level, values the business MESCA and our clients provide, and, without exception, have committed to a continuing strong partnership. 📧

MESCA Freight Services is a Board approved provider for RMANH members. John Heckman can be reached at 603-662-9137 or jheckman@mesca.com.

MESCA
FREIGHT SERVICES



Credit Card Processing Notes

Rob Leonard
Retail Council Services Corp.



Credit Card Processing Corner

Earn Cash Reward for Credit Card Pick-up

Every once in a while a business owner swipes a card and an unusual message appears on their terminal screen telling them not to return the card to the customer. The reason for this “pick up” message could be that the credit card was reported stolen or a payment is extremely overdue.

If you receive a pick up card response, which may be displayed as “PICUP” or “PIC UP” on your terminal’s display window, or the Authorization Center tells you to take the card, follow the instructions. You may be eligible for a cash reward from your credit card processor for doing so.

To collect your reward, simply cut the card in half directly through the entire account number.

Place the card in an envelope along with your name, merchant number, date of pick up, and your address and mail it to your credit card processor (check your card acceptance guide for the appropriate address).

RMANH members with questions about pick up requirements are encouraged to call RCSC, administrator of

RMANH’s credit card processing program, for assistance. If you haven’t considered joining RMANH’s processing program, why not allow us to do a free, no-obligation savings analysis? We’re typically able to save businesses money on this expense and no other processor offers the added protection of a periodic review of statements through our Watchdog Program. Contact Nicholl or Michele at (866) 350-2652 or via email at RMANH@retailcouncilnys.com for more information.

Get your free “Fiscal Physical” today to see if you’re paying too much for credit card processing

Save money and get a **free terminal** (valued at \$400) when you join our preferred program.* Put your processing in the hands of our experts.

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Authorized provider of RMANH's credit card processing program
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Retail Council Services Corp.

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the current the act; and (v) definitions of several key technical terms, such as “allocation,” “distribution,” “dissociation,” and “dissolution” whose meaning is not self-evident but which are not defined in the current act.

IV. This bill also contains a number of new provisions that will increase the flexibility of the act and thus will enhance the ability of both small and large New Hampshire businesses to tailor their LLCs to meet members’ and managers’ needs and interests. These include provisions validating oral and implied operating agreements of LLCs that lack written agreements.

SB 205 updates the NH Business Corporation Act, NH RSA 293-A, the last major revision of which took place in 1993. SB 205, drafted by the BIA’s ad hoc committee, which was supported by the Corporate Law Section of the American Bar Association, makes numerous changes to the law, and according to a BIA report, “The Committee agreed that New Hampshire should adopt the fourth version of the Model Business Corporation Act (“MBCA”), subject to modification to reflect certain idiosyncrasies of the current NHBCA and other current New Hampshire laws. The Committee concluded that this approach would ensure consistency throughout the revised NHBCA and ensure that the NHBCA reflects the current best practices with regard to governance of corporations.”

Lastly, the Commission to Study Business Taxes, formed in the 2010 session and whose membership includes CPAs, tax attorneys and legislators, has issued a new draft report.

Of interest particularly to retailers that do business in more than one state, the report makes a number of recommendations, including one to

“Allow in-state combined tax returns to be in conformity with multi-state fil-

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Association Members

Workers' Compensation Trust

Avoiding wintertime slips and falls

Although we haven't had a brutal winter, at this time of year, it is important to remember the dangers of walking or working on parking lots and sidewalks that have become slippery from snow and ice. Slip-and-fall accidents are among the most common workplace injuries this time of year. However, they can be avoided by taking some simple steps.

Walking surfaces:

- Remove snow and ice from parking areas, driveways and sidewalks immediately.
- Spread melting agents like salt or sand.
- If a walkway is still too dangerous, restrict access.

- Use floor mats or non-skid runners indoors.
- Post "Caution – Wet Floor" signs in front of wet or slippery spots.

Walking:

- Keep your hands at your sides (not in your pockets) for balance should you slip.
- Take small steps and stay alert on slippery ground.
- Be extra cautious when carrying anything.

Footwear:

- Avoid wearing high heels outdoors.
- Employees that work predominantly outdoors should wear

over-the-shoe ice treads.

- Employees that work in areas where floors can become slippery should wear slip-resistant footwear.

Created by the Retail Merchants Association of New Hampshire to help reduce the costs of workers' compensation costs for retailers, the Association Members Workers' Compensation Trust now serves nearly 500 businesses, representing premiums of over \$2.9 million. Retailers can learn other cost-cutting and risk management advice by joining the trust. For more information or to get a quote, call the RMANH offices at 603-225-9758. ☛

Legislation, cont. from page 8

ers. As such, unitary filing would be mandatory under all circumstances, including proprietorships, once unitary filing criteria is met".

Another recommendation encourages the NH legislature to study the effect of changing to a single-sales factor in computing the apportionment of BPT obligation to NH. RMANH has opposed this change in the past, and will watch legislative activity in this area.

The Dupont Group is the government relations and lobbying firm for the Retail Merchants Association of New Hampshire. Curtis Barry, RMANH's lobbyist, can be reached at 603-228-3322 or cbarry@dupontgroup.com. ☛



This is RETAIL Nationwide Video Contest

The National Retail Federation is on the hunt to find the best retail stories in America – from marketing geniuses to customer service superstars to small business owners who are the heart of their local communities. That's why NRF has created the [This Is Retail nationwide video contest](#). The goal of the contest is to raise awareness of the retail community and demonstrate the importance of the one in four jobs the industry provides to the U.S. economy. Wouldn't it be wonderful if a New Hampshire retailer won this?

Now more than ever, telling our elected officials about retail jobs is essential. We are all impacted by the decisions that are being made every day by policymakers on both the state

and federal level. The This Is Retail video contest is a great way to get your voice heard above the clutter. But hurry – all videos must be submitted by March 16!

What's in it for RMANH members? A \$25,000 grand prize. A trip to Washington, DC in May. And national recognition, which would go a long way for many small business owners or some of today's brightest retail talent.

The "This is Retail Video Contest" is open to anyone who works in the retail industry. Tell a retail story in a video no longer than two minutes, and upload your video between March 5 – 16 for your chance to win \$10,000, \$15,000 or \$25,000! Visit retailmeansjobs.com/contest for all the details. ☛



Steven Dalton

*In Conjunction with Lincoln Financial Securities,
a registered broker/dealer*

Four Steps to Managing Your Cash Flow in Retirement Part 1 of 2 Parts

Retirement planning is a lifelong process, evolving from a focus on saving and investing to wealth preservation that sustains your cash flow in retirement. To confidently manage your retirement funds, it's important to understand not only how much you have, but how much you will need. Then you can determine how to fill in the potential gap. Keep in mind that creating a retirement plan is not a one-time event: It requires periodic adjustment in order to help ensure that your money is available when you need it – for as long as you need it. The following four steps can help you get started.

Step 1: Review Your Expenses and Create a Budget

To determine what your retirement expenses will be, start with taking a closer look at your current lifestyle. If you can get a handle on your current expenses, it's easier to project what you will need to live on over the next 30 or 35 years. Based on the most recent year, estimate your annual expenses for the following categories:

- Housing, food and clothing
- Transportation
- Medical and long-term care
- Debt and income taxes
- Charity

- Emergency cash
- Funds for short-term goals (leisure, home improvements, vacations, new car, etc.)

Once you have a figure to start with, you can make additions and subtractions based on any changes you anticipate in your retirement lifestyle. For example, your costs may change if you expect to move to a retirement community or pay off debts before retiring.

Step 2: Calculate Your Retirement Income

If you have a balanced portfolio, a 4% annual withdrawal from your funds during retirement – a reasonable rate – can greatly improve the chances that you will not outlive your money. After several years, you may wish to re-evaluate your withdrawal rate and increase it for inflation. Ask your financial planner to help you calculate the value of your investments and the annual retirement income they can provide. Don't forget to factor in Social Security and any pension income, which can supplement your 4% withdrawal.

Steven M. Dalton, CFP®, ChFC®, CRPC®, AAMS® is a registered representative of Lincoln Financial Securities Corporation, member SIPC, Brophy Wealth Management, 40 S River Rd, Unit 15, Bedford, NH

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Opening for RMANH Board Member

RMANH currently has two openings on our Board of Directors. Interested in having a say on how your Association is run? Then we need you!

Our bylaws state that our fifteen member board must be split between corporate and smaller, independent retailers, and that our board be geographically diverse. These openings are for smaller, independent retailers rather than corporates.

Our volunteer board meets quarterly. If you are interested in this position, please contact Nancy Kyle at 603-225-9748 or rmanh@rmanh.com. We would ask that you write a letter/email to the board saying why you want to be on the board, your qualifications, and information about your business.

Important Payroll Changes for 2012

Managing your workforce and maintaining compliance with the ever changing payroll related rules and regulations at the Federal and State level is a daunting task. Here is a summary of the important details that you should know about for the 2012 tax year:

Withholding Tax

New Federal percentage method withholding tables have been issued. An annual federal withholding allowance is now valued at \$3,800 (previously, \$3,700). The 4.2% Social Security withholding tax rate on wages earned by employees will remain in effect at least through Feb. 29, 2012. Congress hopes to enact legislation in the coming weeks that will keep this rate in effect through Dec. 31, 2012.

Fringe Benefits

- The standard mileage rate for computing the deductible cost of operating a car (including vans, pickups, or panel trucks) for business use will remain at 55.5¢ per mile. It has been at this rate since July 1, 2011.
- An employee may exclude from taxable income up to \$240 a month for qualified parking expenses in 2012 (up from \$230 a month in 2011). The tax-free exclusion for the combined value of transit passes and transportation in a commuter highway vehicle will decrease from \$230 a month to \$125 a month in 2012, unless Congress retroactively enacts legislation that keeps this exclusion equal to the amount of the qualified parking exclusion.
- It is now easier for an employer-provided cell phone, or a personally-owned cell phone used for business purposes, to qualify as a tax-free fringe benefit.

Pension Plan Limitations

- The maximum amount that an employee may elect to defer to a 401(k) cash or deferred compensation plan is \$17,000 in the 2012 tax year (up from \$16,500 in 2011).

- The maximum amount that an employee/participant may elect to defer to a savings incentive match plan for employees (SIMPLE plan) remains at \$11,500.
- The limitation on total annual contributions to defined contribution plans is \$50,000 (up from \$49,000 in 2011).
- The annual benefit limit for defined benefit plans is \$200,000 (up from \$195,000 in 2011).
- The limitation on deferrals for Code Sec. 457 deferred compensation plans of state and local governments and tax-exempt organizations increases from \$16,500 to \$17,000 in 2012.
- The limitation used in the definition of a highly compensated employee increases from \$110,000 to \$115,000 in 2012.
- The maximum aggregate annual contribution that can be made to a health savings account in 2012 is \$3,100 for self-only coverage (up from \$3,050 in 2011) and \$6,250 for family coverage (up from \$6,150 in 2011).
- The employee compensation amount used in the definition of "control employee" for purposes of the auto commuting valuation rule increases from \$195,000 to \$205,000 in 2012.
- The compensation amount used in the definition of company officers who are ineligible for the commuting valuation rule increases from \$95,000 to \$100,000 in 2012.

W-2s.

Employers may now submit up to 50 W-2 forms through W-2 Online (previously, up to 20 W-2 forms).

Unemployment Tax

The 0.2% federal unemployment tax (FUTA) surtax expired on June 30, 2011. The FUTA tax rate, before consideration of state unemployment tax credits, is

6.2% from Jan. 1, 2011 to June 30, 2011, and 6.0% after June 30, 2011. Employers in 20 states (and in the Virgin Islands) will see their state unemployment tax credits reduced on their 2011 FUTA return because their state failed to repay its federal unemployment insurance loans before the required deadline.

Federal Minimum Wage Rate

The federal minimum wage rate is still \$7.25 per hour in 2012.

Other

- The IRS has launched a "Voluntary Classification Settlement Program" that it says will allow many employers to resolve past worker classification issues under the tax law at a low cost if they voluntarily agree to reclassify their workers as employees.
- The work opportunity tax credit (WOTC) allows employers who hire members of certain targeted groups to receive an income tax credit. The WOTC may now only be claimed by employers who hire qualified veterans (i.e., no other targeted groups besides qualified veterans) between Jan. 1, 2012 and Dec. 31, 2012.
- It's possible that Congress will retroactively enact legislation that will allow employers who hire other targeted groups, besides qualified veterans, to claim the WOTC in 2012. Tax-exempt organizations are now allowed to offset the WOTC against their OASDI (Social Security) tax liability.

This information has been provided by Checkmate Workforce Management Solutions. Checkmate is an independent provider of comprehensive payroll services and workforce management solutions with a strong focus on customer service, data security and innovative technology. RMANH members get a 10% discount on payroll processing services with Checkmate. For more information, call Joshua Robinson at 603-225-2004 or email at josh@checkmate-payroll.com.



*Eric Proulx, General Manager of
Tanger Outlets, Tilton, NH;
Detective Matt Dawson;
Detective Nate Buffington,
Chief Robert Cormier, and
NH Attorney General Mike Delaney*

Retailer of the Year, continued from page 1

Nancy Kyle, President/CEO of RMANH, commented “In a world where few independent pharmacies are surviving, the Prescription Center is thriving.”

The Prescription Center was founded in 1951, with a staff of five family members, and has been a Main Street staple for years. With an employee base of over 60 in two locations, they pride themselves on providing first-class service and customer care, while encouraging a positive work environment.

But one of the things this company is most proud of is their community involvement. They made their first charitable contribution in 1969, and currently provide philanthropic support to many groups and nonprofits. Their employees donate hundreds of hours annually, and are involved in making decisions about charitable contributions. Learn more about them at <http://www.prescription-center.com/>

Congratulations to owner Charlie Fanaras and the staff at the Prescription Center for being named RMANH’s 2012 NH Retailer of the Year. 🍀

Partner of the Year, from on page 1

Award was designed to recognize an outstanding member of the law enforcement community who has gone out of his or her way to help retailers and open the lines of communication between retailers and law enforcement.

Nancy Kyle, President/CEO of RMANH, commented “This past year we’ve really seen an explosion of sophisticated, organized thefts in the middle of the state. It seemed like the Tanger Outlet in Tilton, NH was being featured on the news repeatedly for counterfeit id/check problems, armed jewelry store thefts, and much more. Fast action on the part of the Tilton Police department has stopped many thieves before they could head to other states.”

Chief Robert Cormier took the podium after accepting his award and commented “We are always here to help retailers – we’ll listen and solve your crimes.” Congratulations and thank you to the Tilton Police Department for being named RMANH’s 2012 Law Enforcement Partner of the year. 🍀

Legislator of the Year, continued from page 1

constant appreciation for how laws of many different types affect the retail industry.

Nancy Kyle, President/CEO of the Retail Merchants Association of NH commented “Senate President Bragdon has been a consistent voice for small business and has always taken into consideration the retailing point of view when we’ve presented our concerns on a variety of fronts. He’s helped us with privacy issues, organized retail crime, and our workers comp trust. In addition, he’s been a proponent of the Regional Greenhouse Gas Initiative, which is responsible for funding our Energy program.”

In addition, President Bragdon has been a strong voice for predictability in the way state government interacts with the business community. And, equally important, he understands the value of the retailing community to New Hampshire’s economy. Congratulations to Senate President Peter Bragdon for being named RMANH’s 2012 Legislator of the Year. 🍀